
DAFA Holding I ApS

Holmstrupgårdvej 12, DK-8220 Brabrand

Annual Report for 2024

CVR No. 43 09 29 52

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 5/3 2025

Kaare Bo Nielsen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DAFA Holding I ApS for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 26 February 2025

Executive Board

Mads Kirkegaard
CEO

Board of Directors

Eivind Drachmann Kolding
Chairman

Vilhelm Eigil Hahn-Petersen
Vice chairman

Frederik Oliver Busch

Anne Sofie Irgens Jacobsen

Kim Harding Wellendorph
Lehmann

Independent Auditor's report

To the shareholders of DAFA Holding I ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DAFA Holding I ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's report

Aarhus C, 26 February 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Kragh

State Authorised Public Accountant

mne26783

Linda Højland

State Authorised Public Accountant

mne45871

Company information

The Company	DAFA Holding I ApS Holmstrupgårdvej 12 DK-8220 Brabrand CVR No: 43 09 29 52 Financial period: 1 January - 31 December Incorporated: 1 March 2022 Financial year: 3rd financial year Municipality of reg. office: Aarhus
Board of Directors	Eivind Drachmann Kolding, chairman Vilhelm Eigil Hahn-Petersen, vice chairman Frederik Oliver Busch Anne Sofie Irgens Jacobsen Kim Harding Wellendorph Lehmann
Executive Board	Mads Kirkegaard
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Group Chart

Company	Residence	Ownership
DAFA Holding I ApS	Holmstrupgårdvej 12, 8220 Brabrand, Denmark	
DAFA Holding II ApS	Holmstrupgårdvej 12, 8220 Brabrand, Denmark	100%
DAFA Group A/S	Holmstrupgårdvej 12, 8220 Brabrand, Denmark	100%
DAFA A/S	Holmstrupgårdvej 12, 8220 Brabrand, Denmark	100%
DAFA Building Solutions A/S	Holmstrupgårdvej 1, 8220 Brabrand, Denmark	100%
DAFA Sverige AB	Postia 1028, 21 413 Malmö, Sweden	100%
DAFA Norge AS	Borgeskogen 30, 3160 Stokke, Norway	100%
DAFA Polska sp. Z.o.o.	ul. Chemiczna 18, Natolin 05-825 Grodzisk Mazowiecki, Poland	100%
DAFA Deutschland GmbH	Skandinavien-Bogen 6, 24893 Handewitt, Germany	100%
DAFA Italia S.r.l	Via Repubblica 17, 23841 Annone di Brianza (LC), Italy	100%
DAFA US Inc.	1500 North Halsted Street 2nd floor, Chicago, IL 60642, USA	100%
DAFA China Holding ApS	Holmstrupgårdvej 12, 8220 Brabrand, Denmark	100%
DAFA Sealing Technology (Tianjin) Co., Ltd.	B711 Xinhua International Plaza, No. 89 Dayangfang Road, Shilihe Chaoyang District, 100122, Beijing, China	100%
DAFA India Sealing Technology Private Limited	Chennai, India	100%

Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2024	2023	2022
	TDKK	TDKK	TDKK 10 months
Key figures			
Profit/loss			
Revenue	487,391	451,644	314,097
Gross profit	176,846	168,722	92,437
EBITDA excl. special items included in the gross profit	60,037	47,078	38,756
EBITGA* excl. special items included in the gross profit	17,870	3,940	9,901
Profit/loss of primary operations	-53,722	-59,732	-81,268
Financial income and expenses	-66,477	-66,814	-30,872
Net profit/loss for the year	-116,619	-120,047	-112,537
Balance sheet			
Balance sheet total	858,039	952,403	1,085,138
Investment in property, plant and equipment	3,796	16,648	9,723
Equity	153,015	136,381	253,621
Cash flows			
Cash flows from:			
- operating activities	-40,206	4,257	-24,337
- investing activities	-48,628	40,990	-953,832
- financing activities	83,625	-51,814	995,962
Change in cash and cash equivalents for the year	-5,209	-6,567	17,793
Number of employees	266	279	303
Ratios			
Gross margin	36.3%	37.4%	29.4%
EBITDA margin excl special items	12.6%	10.4%	13.2%
Profit margin	-11.0%	-13.2%	-25.9%
Return on assets	-6.3%	-6.3%	-7.5%
Solvency ratio	17.8%	14.3%	23.4%
Return on equity	-80.6%	-61.6%	-88.7%

As this Holding company was created in 2022, the key figures does only include 2022-2024.

* EBITGA (earnings before interest, tax and goodwill amortisation)

Management's review

Principal activities

DAFA contributes sustainable, long-lasting foam and rubber solutions which seal, absorb and protect. The goal is that customers experience added value by collaborating with DAFA and that they choose DAFA as their preferred supplier.

DAFA focuses on two key segments; Industrial Solutions and Building Solutions.

DAFA's business model is through a global footprint to follow our customers development and requirements by offering high service and quality in sustainable, long-lasting foam and rubber solutions which seal, absorb and protect. We want to grow together with our customers by focusing on close customer relations and development of innovative quality products and solutions.

DAFA delivers World-class solutions driven by our passion for Innovation and Sustainability.

The solutions are produced and distributed through divisions in Denmark, Poland, Italy and China. In addition, there are sales offices in the USA, Sweden, Norway, Germany and India.

Owned by Danish Private Equity Fund, CataCap II K/S ("CataCap") and co-investors

In May 2022, DAFA Group and all affiliated subsidiaries were indirectly acquired by CataCap and co-investors.

The Group is controlled by the Private Equity Fund CataCap which has 51.94% of the shares and 100% of the voting shares.

CataCap is a member of "Active Owners" and complies with ethical guidelines, guidelines for responsible ownership. DAFA strives to fulfil the guidelines issued by Active Owners. More information about Active Owners is found on <http://aktiveejere.dk>

Development in activities and financial position

Group revenue increased by 8.4% from DKK 451 million in 2023 to DKK 487 million in 2024. The growth expectation for 2024 were 10%-12%, but the industrial segments didn't pick-up as much as foreseen in the Nordic region. In the Building Solutions segments 2024 developed as expected. Combined with control and scalability of the fixed cost base adjusted EBITGA grew from DKK 4 million in 2023 to DKK 18 million in 2024, which were inside the expected range for 2024. This positive development reflects a fundamental strengthening of DAFA's operating platform and more stable market conditions compared with recent years.

Industrial Solutions, the largest of DAFA's two main business segments, increased revenue from DKK 281 million in 2023 to DKK 308 million in 2024. This was driven by growth across existing and new customers. Wind Turbine being the largest sub segment contributed positively, despite general market activity being below that expected by market analysts going into 2024. Market activity in other key sub segments generally developed favorable or remained stable over 2024.

The Building Solutions business segment also delivered growth over 2024 with revenue increasing from DKK 169 million in 2023 to DKK 179 million in 2024. The positive development reflects Building Solutions' strong market position in Northern Europe and continued investments in product development. Increasing international demand for select products based on proprietary technology also contributed. From a market perspective products are used in both new build and renovation projects, an attractive mix resulting in stable market conditions over 2024.

Management's review

EBITGA for the year includes special items related to both organizational changes and legal costs related to capital injection, and as such does not reflect operating earnings in the company. EBITGA before special items was DKK 18 million compared with DKK 4 million the year before and reflects the increasing revenue, as well as the fact that management has balanced efforts to adjust the cost base with a focus on strengthening the company, preparing it to benefit from improved market conditions, as well as pursuing growth niches despite overall market headwinds.

A planned CEO succession was executed in 2024 as Mads Kirkegaard took over from Steen Bødtker upon his wish to retire. Mads Kirkegaard has significant experience within DAFA's core business, in particular the Wind Turbine segment, as well as a background from product development which compliments the broader management team of DAFA well.

After declining market activity over recent years in most of DAFA's sub segments, 2024 generally showed stable demand. Looking across DAFA's segments stable demand is also expected over 2025. DAFA's business model, agility and geographical coverage, will be leveraged to pursue attractive customers and niches in order to deliver growth. This is supported by DAFA's order book and pipeline going into 2025 as well as development initiatives within the company.

Outlook

In 2025 DAFA expects to increase revenue through organic growth compared to 2024 with about 7%-12% and the EBITGA is expected to be in the range of DKK 25 – 45 million. The growth ambitions for 2025 and forward is supported by the strategy in both the Industrial and Building segments, combined with a cross functional efficiency and improvement project running throughout 2025. To reach our aspiration, we will continue to focus on Must-Win Battles on our growth initiatives.

The organic growth initiatives are:

- Winning in wind globally
- Growing European revenues
- Growing Building Solutions

In line with the growth strategic initiatives a commercial excellence model is fully implemented, and the sales management is also completed with the new CCO. Furthermore, establishment of a legal entity in India will support the sales region in Asia and a revised set-up for US market is also in process.

Management's review

Risk Management

Risk management is fully integrated into the strategic and operational activities in DAFA, and with a risk policy and procedures in place, we have established a systematic approach to efficient risk management, allowing us to identify risk early and proactively work to prevent an increase in exposure. With our risk management structure, we ensure proper and efficient identification, assessment, and mitigation of risks to reduce the likelihood of unforeseen events causing harm to DAFA, our people, our business model or our strategy. Risk is identified and monitored by the Executive Management and presented to the Board of Directors. Identified risks are assessed based on their potential impact on our business and the likelihood of the risk materializing. The most significant risks are reported to the Board of Directors. The key risk areas related to DAFA's business are described further below.

Risk	Description of risk	Risk control measures
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Commercial

Material availability	Lack of available raw materials	Our long-term close relation and interaction with key strategic suppliers
Market	The Group is exposed to periodic fluctuations in sales in line with the general macro-economic environment, and this risk is limited due to the global footprint.	Market analysis and customer interaction and operating in a broad market segment gives flexibility in focus on growth markets
Competitors in new markets and countries	Risk related to entry on new markets	Market analysis and defined differentiated value propositions
Risk	Description of risk	Risk control measures

IT

Cybersecurity	Disruptions to our IT systems, especially cyber-attacks, pose a risk to our business and our industry in general	Continuous improvements of procedures pertaining to cyber security, i.e., through cyber security awareness training, cyber vulnerability assessments, security testing, and disaster recovery plans. To mitigate the potential impacts of an attack, we have disaster recovery procedures in place, which are tested on an ad hoc basis.
Risk	Description of risk	Risk control measures

Financial

Liquidity	The risk of not meeting future cash flow needs	Continuously assess and monitor capital resources and liquidity to meet our existing and future obligations, including securing required loan facilities, when necessary. Also, we work in a structured way with cash management to ensure timely collection of receivables from customers and timely settlement of our obligations to vendors. If any additional liquidity is needed, our owners hold a strong financial position
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Management's review

Credit	Risk on both customers abilities and suppliers' evaluation	According to the Group's credit policy, all major customers are rated on a current basis.
Economic recession	Outside market conditions that affects innovation and new developments	Following market insights and latest news

Risk	Description of risk	Risk control measures
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Sustainability

Environmental	With the increasing focus on climate change from society and authorities, the industry in general is increasing its requirements for companies to take action to reduce their carbon footprint and ensure carbon transparency	We work in a structured way with environmental concerns throughout DAFA, and we are reporting our carbon footprint in accordance with the Greenhouse Gas protocol, aiming to create carbon transparency and working actively to reduce our footprint. This is also anchored in our commitment
Alternative solutions	Alternatives to Foam and Rubber	Understanding customer needs and strategies
Legislations and competitiveness	EU driving this agenda imposes risk on global competitiveness	Understanding legislations and requirements and make considerations to the impact on DAFA
Business conduct	Risk of being involved or associated with unethical business conduct	Long term relations to suppliers makes this risk less likely to happen

Risk	Description of risk	Risk control measures
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People

Attraction and retention	Risk in shortage of qualified workforce	Measure on employee turnover, indications on applications to job postings
Competence building	Risk of not having global aligned competences	Training attendance and on the job learning
Health & safety	The safety of our employees is our highest priority as incidents could have serious consequences for our staff, operations, and DAFA's reputation	Through our safety management system, we manage safety risks in the workplace by conducting regular risk assessments of the different workstations, implementing new policies and procedures, and by increasing employees' awareness of safety risks and appropriate safety behavior

Risk	Description of risk	Risk control measures
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Operating

Machine capacity	Risk of machine shortage to meet customer demands	KPI's on productivity will indicate if risk occurs
Supply chain	Risk in consolidation and developments to DAFA value chain position	Relation and following closely market developments

Management's review

Quality	Failing to maintain high level of quality, incl. approvals and certifications	Policies, procedures, and systems are in place to ensure that our operations and products live up to the highest quality standards and to continuously assess and improve our quality procedures.
Global footprint	Securing our footprint to serve customers globally	Customer interactions on future outlooks
Politics	Two main segments of construction and Wind is very affected by political decisions and directions	Following political insights and latest news on key markets

Research and development activities

DAFA continuously develops and improves its products in cooperation with its customers. The related costs are charged to the income statement as they are incurred. Resources spent on implementation of new technology is capitalized under the item completed development projects.

Intellectual capital

It is essential for DAFA's continued growth to retain and develop employees; therefore, significant resources are allocated to these efforts.

To ensure competitiveness and efficiency, new technology investments are made continuously alongside continued competence development.

Intellectual capital resources are of great importance to DAFA. In the construction segment, continuous product development is carried out based on knowledge of the market and our customers. In the industry segment, customized quality solutions are developed for which our employees' know-how of materials and possible solutions is a key factor.

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Management's review

Statutory declaration of Corporate Social Responsibility in accordance with section 99a of the Danish Financial Statements Act

Since 2010, DAFA A/S has been a proud participant in the UN Global Compact, the world's largest initiative focused on corporate social responsibility.

With over 85 years of experience, DAFA specializes in developing, manufacturing, and delivering a wide range of sealing, absorption, and protection solutions for the construction and industrial sectors.

Our commitment to people, planet, and profit shapes DAFA's approach to sustainability. We aim to deepen the sustainability of our business decisions, processes, and stakeholder partnerships, achieving a balanced approach to environmental, social, and governance responsibilities.

DAFA places high value on our employees, who are essential to our success. To recognize and support their contributions, DAFA organizes annual initiatives that honor their dedication. Since February 2024, DAFA Group has implemented structured policies, enhanced data management practices, and established a cross-functional collaboration committee to strengthen teamwork across the organization.

The 10 Principles of the Global Compact, which emphasize labor and human rights, environmental responsibility, and anti-corruption, serve as guiding standards for DAFA's operations. By working closely with customers, suppliers, authorities, and stakeholders, we are committed to responsible business practices and positive impact. DAFA reports annually on our progress in alignment with the UN Global Compact's Communication on Progress.

If you want to learn more, DAFA has recently submitted Communication of Progress No. 15 for publication on our website. The statutory declaration in accordance with section 99a is included in the DAFA ESG/COP report – February 2025 which can be read or downloaded from the link below.

<https://dafa-group.com/en/sustainability>

The statutory report adheres to ESG reporting principles established by CFA Society Denmark, FSR, and NASDAQ for "ESG Key Figures in the Annual Report," along with the UN Global Compact's guidelines.

Environment

DAFA aims to live in harmony with our surroundings, neighbors as well as the environment.

Therefore, DAFA has set out an ambitious strategy: "DAFA Go Green" based on the most significant risks and impacts for climate, environment and CSR. The goals and the status of achievement are reported on DAFAs website on an annual basis: <https://dafa-group.com/en/sustainability>

Management's review

Statutory statement regarding the underrepresented gender in accordance with the section 99b of the Danish Financial Statements Act

In DAFA, we acknowledge that diversity in Management and employees is a strength and as a part of this, equality in gender contributes to the business development. DAFA's target regarding the underrepresented gender is that both genders are to be represented on the Board of Directors, and no one is underrepresented. The target for 2024 was set to 20 %, which is achieved. In the future with a board composition of five members the target for the underrepresented gender is 40 % before 2028.

Diversity at other management levels

DAFA is also considering diversity in other management levels than the Board of Directors. The long-term aim is that the Company reflects the surrounding society and especially the Company's customers, not only in terms of gender, but also in terms of nationality and ethnicity. This reflection of the surrounding society is to contribute to the Company being an attractive choice for customers as well as present and future employees and in this way enabling the Company to achieve its long-term business goals.

The policy of the Company states that both genders are encouraged equally to apply for vacant positions in the Company. Both genders are also guaranteed the same rights and conditions during their employment. As DAFA strives for an equal gender representation in Management, we acknowledge that females are currently underrepresented. Therefore, we have placed special focus on ensuring that females are, where possible, included in the list of candidates for new hires and internal promotions. Moreover, we have in situations where more candidates are assessed to be equally qualified for a position selected the female candidate. To equal the diversity and thereby the gender representation DAFA has back in 2023 implemented the "DAFA Global Recruitment Policy", where each recruitment process will contribute to the diversity and inclusion agenda.

In 2024, the proportion of female (being the underrepresented gender), in the global management levels one and two, amounted to 30 %. Overall, 32% % of employees are female.

Our aim is that the percentage of the underrepresented gender in management positions is similar to the organization in general and that we will reach this target soon.

Gender diversity

Board Members	2024
Total members	5
Underrepresented gender in percent	20%
Target in percent	40%
<u>Year for fulfilling target</u>	<u>2028</u>
Management (level 1&2)	2024
Total members	11
Underrepresented gender in percent	30%
Target in percent	32%
<u>Year for fulfilling target</u>	<u>2028</u>

Management's review

Statutory statement regarding data ethics in accordance with the section 99d of the Danish Financial Statements Act

DAFA's data ethics are based on privacy for customer and employees as a fundamental value. The Company strives for a positive staff culture around errors where openness about mistakes and problems leads to improvements. Employees who access data have undergone an e-learning program on how to process data.

Boards of Directors

Eivind Kolding

Chairman of the board since 2022

Suggested by CataCap

Chairman

DAFA Holding I ApS
DAFA Holding II ApS
DAFA Group A/S
MFT Energy A/S
Frankly A/S
NTG Nordic Transport Group A/S
DANMARKS SKIBSKREDIT A/S
DEN ERHERVSDRIVENDE FOND GL STRAND

Deputy Chairman

NNIT A/S
LEO FONDET
LEO Holding A/S

Board Member

Altor Fund Manage AB

Management's review

Vilhelm Eigil Hahn-Petersen

Deputy Chairman since 2022

Suggested by CataCap

Executive Board	Chairman
CATACAP DM ApS	CC Fly Holding II A/S
CataCap DM II ApS	CC Green Wall Invest ApS
CATACAP GENERAL PARTNER I ApS	CC Mist NEW Holding II ApS
CataCap General Partner II ApS	DAFA A/S
CataCap General Partner III ApS	Rekom Group A/S
CATACAP MANAGEMENT A/S	Rekom Group Holding ApS
CATACAP OP ApS	
CC Aviation General Partner I ApS	
CC BidCo ApS	
CC BidCo IV ApS	
CC BidCo V ApS	
CC DAFA Invest ApS	
CC Fly Invest ApS	
CC Globe Invest ApS	
CC HoldCo ApS	
CC HoldCo IV ApS	
CC HoldCo V ApS	
CC II Management Invest 2017 GP ApS	
CC NLM Invest ApS	
CC North Invest ApS	
CC TAP Invest ApS	
CC Toaster Invest ApS	
CC TopCo Invest ApS	
CC TopCo IV Invest ApS	
CC TopCo V Invest ApS	
DAFA MIIP ApS	
Globe ManCo ApS	
Luxplus MIIP ApS	
MYCO ApS	
NLM Vantinge IP ApS	
Rekom ManCo ApS	
TAP MIIP ApS	
TPA Green ManCo ApS	
Deputy Chairman	Board Member
DAFA Group A/S	Airhelp Inc.
DAFA Holding I ApS	CC Toaster Holding I ApS
DAFA Holding II ApS	CC Toaster Holding II ApS
	LUXPLUS ApS
	TP AEROSPACE HOLDING A/S
	TPA Holding I A/S
	TPA Holding II A/S

Management's review

Frederik Oliver Busch

Board Member since 2022

Suggested by CataCap

Executive Board

FOB UP Invest ApS

Deputy Chairman

LUXPLUS ApS
CC Toaster Holding I ApS
CC Toaster Holding II ApS

Board Member

DAFA Group A/S
DAFA Holding I ApS
DAFA Holding II ApS

Anne Sofie Irgens Jacobsen

Board Member since 2023

Suggested by CataCap

Executive Board

Schneider Electric Danmark A/S
Schneider Electric IT Denmark ApS

Board Member

DAFA Group A/S
DAFA Holding I ApS
DAFA Holding II ApS
Schneider Electric Danmark A/S

Kim H. W. Lehmann

Board Member since 2023

Suggested by CataCap

Executive Board

APZALON HOLDING ApS
APZALON MANAGEMENT ApS
Cotter Holding ApS

Chairman

Det Energiteknologiske Udviklings-
og Demonstrationsprogram
BRD. KLEE A/S
Flonidan A/S
Tajco Group A/S
Tajco A/S

Board Member

Science Flow Lab A/S
Cotter ApS
INCOTERA A/S
Abafar ApS
DAFA Holding I ApS
DAFA Holding II ApS
DAFA Group A/S

Management's review

Executive Board

Mads Kirkegaard
CEO since 2024
Suggested by CataCap

Executive Board	Chairman
DAFA Holding I ApS DAFA Holding II ApS DAFA Group A/S DAFA A/S DAFA China Holding ApS Kirkegaard Invest ApS	DAFA Building Solutions A/S
Board Member	
AB Inventech Group A/S AB Inventech A/S Polytech Group ApS DAFA China Holding ApS DAFA A/S	

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Revenue	1	487,391	451,644	0	0
Other operating income	2,3	1,117	16,385	0	0
Expenses for raw materials and consumables		-251,544	-234,191	0	0
Other external expenses	3	-60,118	-65,116	-138	-71
Gross profit		176,846	168,722	-138	-71
Staff expenses	4	-127,068	-124,657	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	5	-103,500	-103,797	0	0
Profit/loss before financial income and expenses		-53,722	-59,732	-138	-71
Income from investments in subsidiaries		0	0	-118,493	-120,026
Financial income	6	461	825	8,902	5,912
Financial expenses	7	-66,938	-67,639	-6,410	-5,862
Profit/loss before tax		-120,199	-126,546	-116,139	-120,047
Tax on profit/loss for the year	8	3,580	6,499	-480	0
Net profit/loss for the year	9	-116,619	-120,047	-116,619	-120,047

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Completed development projects		1,320	41	0	0
Acquired licenses		3,142	5,085	0	0
Acquired other similar rights		210,385	239,141	0	0
Goodwill		410,845	472,260	0	0
Intangible assets	10	625,692	716,527	0	0
Land and buildings		770	789	0	0
Plant and machinery		30,959	37,380	0	0
Other fixtures and fittings, tools and equipment		4,068	5,300	0	0
Leasehold improvements		5,182	5,332	0	0
Property, plant and equipment	11	40,979	48,801	0	0
Investments in subsidiaries	12	0	0	80,258	135,924
Deposits	13	5,663	7,090	0	0
Fixed asset investments		5,663	7,090	80,258	135,924
Fixed assets		672,334	772,418	80,258	135,924
Raw materials and consumables		31,971	26,533	0	0
Work in progress		1,256	901	0	0
Finished goods and goods for resale		45,655	43,572	0	0
Inventories		78,882	71,006	0	0
Trade receivables		84,207	76,882	0	0
Receivables from group enterprises		53	0	133,015	121,901
Other receivables		4,732	4,860	0	0
Deferred tax asset	15	1,109	0	0	1
Corporation tax		8,376	12,219	0	6
Prepayments	14	2,264	3,728	0	0
Receivables		100,741	97,689	133,015	121,908

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Current asset investments		65	64	0	0
Cash at bank and in hand		6,017	11,226	339	504
Current assets		185,705	179,985	133,354	122,412
Assets		858,039	952,403	213,612	258,336

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital		5,069	3,763	5,069	3,763
Retained earnings		147,946	132,618	147,946	132,618
Equity		153,015	136,381	153,015	136,381
Provision for deferred tax	15	45,785	51,472	0	0
Other provisions	16	1,325	414	0	0
Provisions		47,110	51,886	0	0
Credit institutions		471,044	0	0	0
Lease obligations		2,254	3,098	0	0
Payables to group enterprises		0	34,914	0	34,914
Other payables		59,894	73,905	59,894	81,086
Long-term debt	17	533,192	111,917	59,894	116,000
Credit institutions	17	23,700	531,673	0	0
Lease obligations	17	1,205	1,274	0	0
Trade payables		60,692	49,987	0	69
Payables to group enterprises	17	0	1,249	150	1,249
Corporation tax		10,147	20,114	481	0
Other payables	17	28,978	47,922	72	4,637
Short-term debt		124,722	652,219	703	5,955
Debt		657,914	764,136	60,597	121,955
Liabilities and equity		858,039	952,403	213,612	258,336
Contingent assets, liabilities and other financial obligations	21				
Related parties	22				
Fee to auditors appointed at the general meeting	23				
Subsequent events	24				
Accounting Policies	25				

Statement of changes in equity

Group

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	3,763	132,618	136,381
Exchange adjustments	0	2,677	2,677
Capital increase	1,306	129,270	130,576
Net profit/loss for the year	0	-116,619	-116,619
Equity at 31 December	5,069	147,946	153,015

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	3,763	132,618	136,381
Exchange adjustments	0	2,677	2,677
Capital increase	1,306	129,270	130,576
Net profit/loss for the year	0	-116,619	-116,619
Equity at 31 December	5,069	147,946	153,015

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		-116,619	-120,047
Adjustments	19	169,074	164,112
Change in working capital	20	-20,990	30,718
Cash flow from operations before financial items		31,465	74,783
Financial income		461	825
Financial expenses		-63,892	-65,048
Cash flows from ordinary activities		-31,966	10,560
Corporation tax paid		-8,240	-6,303
Cash flows from operating activities		-40,206	4,257
Purchase of intangible assets		0	2,583
Purchase of property, plant and equipment		-6,518	-10,280
Fixed asset investments made etc		-42,110	-3,756
Sale of property, plant and equipment		0	51,507
Current asset investments made		0	936
Cash flows from investing activities		-48,628	40,990
Repayment of loans from credit institutions		-88,038	-85,394
Reduction of lease obligations		-913	-1,334
Raising of payables to group enterprises		0	34,914
Cash capital increase		130,576	0
Dividend paid		42,000	0
Cash flows from financing activities		83,625	-51,814
Change in cash and cash equivalents		-5,209	-6,567
Cash and cash equivalents at 1 January		11,226	17,793
Cash and cash equivalents at 31 December		6,017	11,226
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		6,017	11,226
Cash and cash equivalents at 31 December		6,017	11,226

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Scandinavia	200,364	207,191	0	0
Rest of Europe	214,375	198,372	0	0
Rest of the world	72,652	46,081	0	0
	487,391	451,644	0	0
Business segments				
Building Materials	179,199	175,943	0	0
Industrial Solutions	308,192	275,701	0	0
	487,391	451,644	0	0
	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
2. Other operating income				
Profit from sale of property	0	15,255	0	0
Wage reimbursements	1,117	1,130	0	0
	1,117	16,385	0	0
	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
3. Special items				
Profit from sale of property	0	-15,255	0	0
Transaction and strategy costs in connection with financing and changed ownership of DAFA Group A/S	11,629	17,514	0	0
	11,629	2,259	0	0

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Staff expenses				
Wages and salaries	111,413	117,463	0	0
Pensions	7,443	6,301	0	0
Other social security expenses	8,212	893	0	0
	127,068	124,657	0	0
Including remuneration to the Executive Board and Board of Directors:				
Executive board	3,584		132	
Board of directors	900		45	
	4,484		177	
Including remuneration to the Executive Board and Board of Directors		3,581		179
Average number of employees	266	279	0	0

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
5. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	93,066	92,717	0	0
Depreciation of property, plant and equipment	10,485	11,080	0	0
Gain and loss on disposal	-51	0	0	0
	103,500	103,797	0	0

Notes to the Financial Statements

6. Financial income

Interest received from group enterprises

Other financial income

Exchange adjustments

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK
0	0	8,741	5,861
293	169	11	51
168	656	150	0
461	825	8,902	5,912

7. Financial expenses

Interest paid to group enterprises

Interest expense

Other financial expenses

Exchange adjustments, expenses

Exchange loss

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK
1,172	1,249	1,172	1,249
64,071	64,146	0	0
0	0	5,238	4,613
1,695	222	0	0
0	2,022	0	0
66,938	67,639	6,410	5,862

8. Income tax expense

Current tax for the year

Deferred tax for the year

Adjustment of tax concerning previous years

Adjustment of deferred tax concerning previous years

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK
5,212	10,016	480	0
-6,796	-13,647	0	0
-1,937	-2,868	0	0
-59	0	0	0
-3,580	-6,499	480	0

Notes to the Financial Statements

Parent company	
2024	2023
TDKK	TDKK

9. Profit allocation

Proposed dividend for the year	0	0
Reserve for net revaluation under the equity method	0	0
Retained earnings	-116,619	-120,047
	-116,619	-120,047

10. Intangible fixed assets

Group

	Completed development projects	Acquired licenses	Acquired other similar rights	Goodwill
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	1,999	15,707	287,616	574,614
Additions for the year	1,172	364	0	0
Cost at 31 December	3,171	16,071	287,616	574,614
Impairment losses and amortisation at 1 January	1,328	10,622	48,475	102,354
Exchange adjustment	0	-66	0	0
Amortisation for the year	523	2,373	28,756	61,415
Impairment losses and amortisation at 31 December	1,851	12,929	77,231	163,769
Carrying amount at 31 December	1,320	3,142	210,385	410,845
Amortised over	3 years	3 years	3-10 years	10 years

Notes to the Financial Statements

11. Property, plant and equipment Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	954	119,207	27,191	8,457
Additions for the year	0	2,217	944	635
Disposals for the year	0	-1,899	-193	-42
Cost at 31 December	954	119,525	27,942	9,050
Impairment losses and depreciation at 1 January	165	81,827	22,520	3,125
Exchange adjustment	0	-441	-17	2
Depreciation for the year	19	8,151	1,560	756
Reversal of impairment and depreciation of sold assets	0	-971	-189	-15
Impairment losses and depreciation at 31 December	184	88,566	23,874	3,868
Carrying amount at 31 December	770	30,959	4,068	5,182
Including assets under finance leases amounting to	0	4,027	0	0

Notes to the Financial Statements

Parent company	
2024	2023
TDKK	TDKK

12. Investments in subsidiaries

Cost at 1 January	365,653	365,653
Additions for the year	60,000	0
Cost at 31 December	425,653	365,653
Value adjustments at 1 January	-229,729	-109,703
Exchange adjustment	2,677	3,879
Net profit/loss for the year	-118,343	-123,484
Other adjustments	0	-421
Value adjustments at 31 December	-345,395	-229,729
Carrying amount at 31 December	80,258	135,924

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
DAFA Holding II ApS	Denmark	4,355k	100%	80,258	-181,343
				80,258	-181,343

13. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 1 January	7,088
Additions for the year	12
Disposals for the year	-1,437
Cost at 31 December	5,663
Carrying amount at 31 December	5,663

14. Prepayments

Prepayments comprise the accrual of costs incurred relating to subsequent financial years, including insurance and IT licences, etc.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
15. Provision for deferred tax				
Deferred tax liabilities at 1 January	51,472	62,258	-1	-1
Adjustment tax for parent company	0	0	1	0
Amounts recognised in the income statement for the year	-6,796	-13,647	0	0
Amounts recognised in equity for the year	0	2,861	0	0
Deferred tax liabilities at 31 December	44,676	51,472	0	-1
Recognised in the balance sheet as follows:				
Assets	1,109	0	0	1
Provisions	-45,785	-51,472	0	0
	44,676	51,472	0	-1

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
16. Other provisions				
Other provisions of TDKK 1,325 (2023: TDKK 414) have been recognised for expected costs related to pension provisions for the employees.				
Other provisions 1 January	414	3,524	0	0
Adjustment for the year	911	-3,110	0	0
	1,325	414	0	0
The provisions are expected to mature as follows:				
Provisions falling due after 5 years	1,325	414	0	0
	1,325	414	0	0

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

17. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	471,044	0	0	0
Long-term part	471,044	0	0	0
Other short-term debt to credit institutions	23,700	531,673	0	0
	494,744	531,673	0	0

Lease obligations

After 5 years	0	0	0	0
Between 1 and 5 years	2,254	3,098	0	0
Long-term part	2,254	3,098	0	0
Within 1 year	1,205	1,274	0	0
	3,459	4,372	0	0

Payables to group enterprises

After 5 years	0	0	0	0
Between 1 and 5 years	0	34,914	0	34,914
Long-term part	0	34,914	0	34,914
Other short-term debt to group enterprises	0	1,249	150	1,249
	0	36,163	150	36,163

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
17. Long-term debt				
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	59,894	73,905	59,894	81,086
Long-term part	59,894	73,905	59,894	81,086
Other short-term payables	28,978	47,922	72	4,637
	88,872	121,827	59,966	85,723

18. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	Group	
	2024	2023
	TDKK	TDKK
19. Cash flow statement - Adjustments		
Financial income	-461	-825
Financial expenses	66,938	67,639
Depreciation, amortisation and impairment losses, including losses and gains on sales	103,500	103,797
Tax on profit/loss for the year	-3,580	-6,499
Exchange adjustments	2,677	0
	169,074	164,112

	Group	
	2024	2023
	TDKK	TDKK
20. Cash flow statement - Change in working capital		
Change in inventories	-7,876	11,660
Change in receivables	-5,786	-3,392
Change in other provisions	911	-1,555
Change in trade payables, etc	-8,239	24,005
	-20,990	30,718

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
21. Contingent assets, liabilities and other financial obligations				
Charges and security				
As partially security for borrowings and bank commitments in the DAFA Holding I ApS Danish Group companies, security in share capital, regarding the group companies DAFA Building Solutions A/S and DAFA A/S is effective.				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	16,572	12,648	0	0
Between 1 and 5 years	52,412	44,825	0	0
After 5 years	98,105	92,765	0	0
	167,089	150,238	0	0

Guarantee obligations

The Group has issued partially guarantee of payment between the Danish DAFA Holding I ApS Group companies DAFA Holding I ApS, DAFA Holding II ApS, DAFA Group A/S, DAFA Building Solutions A/S and DAFA A/S and the DAFA Holding I ApS Groups' credit institutions.

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CC DAFA Invest ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

22. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
CC DAFA Invest ApS	Parent company (majority owner)
CataCap II K/S	Parent company of CC DAFA Invest ApS (majority owner)

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
DAFA Holding I ApS	Holmstrupgårdvej 12, 8220 Brabrand

<u>Group</u>	
<u>2024</u>	<u>2023</u>
TDKK	TDKK

23. Fee to auditors appointed at the general meeting

PwC

Audit fee	1,171	756
Tax advisory services	237	357
Non-audit services	210	170
	<u>1,618</u>	<u>1,283</u>

24. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

25. Accounting policies

The Annual Report of DAFA Holding I ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in TDKK.

There are other minor changes in the comparative figures. These changes do not affect the year's result or equity.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, DAFA Holding I ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Segment information on revenue

Information on business segments and geographical segments is based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with CC DAFA Invest ApS and other danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Customer relations, presented as "Acquired other similar rights", is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 years.

Other intangible fixed assets

Patents, licences and rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 3 years. Software licences and rights are amortised over the period of the agreements, which is 3 years and 3-5 years, respectively.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Notes to the Financial Statements

Land and buildings	40-50 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Inventories

Inventories are measured at the lower of standard cost and net realisable value.

Notes to the Financial Statements

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Notes to the Financial Statements

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
EBITDA margin excl special items	$(\text{Gross profit/loss} + \text{staff expenses} - \text{special items}) \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$